



BUDGET 2023 CUSHIONS IMPACT OF ECONOMIC SLOWDOWN BUT MAY FALL SHORT ON TRANSFORMATIVE CAPACITY

Petaling Jaya, 24 February 2023: PIKOM, the National Tech Association of Malaysia, views Budget 2023 with mixed opinions.

On the one hand, PIKOM welcomes the relief measures for lower and middle-income groups to cope with rising costs of living amidst a volatile economic landscape. On the other, PIKOM feels a more radical plan is needed to accelerate Malaysia's push towards a high-income economy.

Allocations provided for digitalisation, human capital development, infrastructure spending and start-up capital under the Budget, while expected, were underwhelming from PIKOM's perspective.

Responding to Budget 2023, PIKOM Chairman Ong Chin Seong said: "We applaud the government for taking steps to address the economic uncertainty that is enveloping the globe, especially for communities most impacted by the rising prices.

However, this Budget seems to be a business-as-usual approach in digitalisation and is no game-changer that can spur digital economy growth for the country. This is what is needed as we look to the future,"

The FDI impetus continues with the slew of incentives to attract investments and create jobs for Malaysians. While this is commendable, incentives for domestic investments would be required to ensure local players, as the key drivers of the Malaysian digital economy, stay competitive and grow into global players.

"It is our hope that the government would place as much support to the local players as given to FDIs," added Ong.

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Among the measures that will be welcomed by the industry include:

- RM1.5 billion investment for local innovative startups via Khazanah and KWSP and another RM10 billion in loan facilities for SMEs by BNM
- MAMPU to improve MyGovCloud function by combining Public Cloud by Cloud Service Provider in public sectors
- RM1 billion for training by HRDCorp
- RM50 million matching grant to support automation in agriculture through usage of robotics and AI
- RM100 mil SME automation and digitalisation matching grant
- RM725 mil for the Jendela digital infrastructure project
- RM300 for training of each gig workers

PIKOM looks forward to a speedy rollout and less bureaucratic process in implementing the various measures that should benefit as many as possible. There were also some concerns that while inflation is taking its toll on the economy, the increase in electricity tariff will have a knock-on effect, negating the price cushioning measures by the Government.

“We are looking forward to more clarity and details on the definition of large companies that will be impacted by the increase in electricity tariff and the quantum of reduction in subsidy,” concluded Ong.

About PIKOM

PIKOM, THE NATIONAL TECH ASSOCIATION OF MALAYSIA, is the association representing the technology industry in Malaysia. Its membership currently stands at more than 1,000 active companies involved in a whole spectrum of tech products and services, and which command 80% of the total TECH business in Malaysia.

There are 7 Chapters under PIKOM: GBS Malaysia; CIO; Cybersecurity; E-Commerce; Venture Investment; SpaceTech and Women in Tech. These chapters help improve and drive the business climate for all member companies, together with promoting industry growth in line with national aspirations.

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As the Voice of the Tech Industry, PIKOM embraces the task of growing the size and capabilities of the tech industry in Malaysia by creating opportunities for its members as well as all Malaysians to capture the benefits offered by advances in technology

For more information, visit www.pikom.org.my

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